



INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Financial Statements for the year ended 30 June 2020 and any public announcements made by Castle Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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DIRECTORS' REPORT

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Castle Minerals Limited ("Castle" or "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Stephen Stone

Michael Atkins

James Guy

REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	2020		2019	
	Revenue and Other Income \$	Results \$	Revenue and Other Income \$	Results \$
Consolidated entity revenue and other income and profit/(loss)	67,015	(1,169,750)	333,986	42,092

During the period, the consolidated entity undertook the following activities:

Wanganui, Meekatharra

The Company undertook two RC drilling campaigns and an aeromagnetic geophysical survey during the period:

- In August 2020 a 2,245m, 39-hole RC programme was undertaken which was directed primarily at the Main Lode and East Lode mineralised trends and returned some excellent intercepts (refer to ASX Announcement on 19 August 2020), especially under the Main Lode North Pit.
- Castle completed a 555 line-kilometre, high-resolution aeromagnetic geophysical survey during September 2020 which improved the definition of the key structures believed to control mineralisation and generated several new areas of interest.
- During December 2020 the Company completed a 3,172m, 48-hole multi-target RC programme which extended the Main Lode shallow high-grade mineralisation further south, returning excellent high-grade gold intercepts (refer to ASX Announcement on 16 December 2020). These holes specifically targeted a magnetic low anomaly immediately south of the Main Lode South Pit.

Polelle, Meekatharra

During the period the Company undertook a 4,581 line-kilometre high-resolution aeromagnetic geophysical survey to improve the definition of the key structures believed to control mineralisation and to generate new areas of interest. This was followed by a large-scale (1,877 sample) multi-target soil sampling programme which delineated six gold and three copper anomalies. None of the anomalies appear to have been previously drilled.

DIRECTORS' REPORT CONTINUED

Beasley Creek, Pilbara

Castle geologists undertook a field reconnaissance trip to validate the results of stream sediment sampling conducted during July 2020 which obtained gold values in all 47 bulk stream sediment samples collected. This work confirmed four anomalous zones associated with several different geological settings.

Success Dome, Pilbara

The Company has submitted an application for a 70-block, 220km² exploration licence covering Success Dome in the increasingly active Ashburton region of Western Australia. The Company also commenced the compilation and interrogation of available public data concerning historical exploration for gold and base metals at Success Dome. This has indicated the presence of major thrust faults and sub-parallel shear zones which previous explorers have outlined as prospective for gold and base metals mineralisation.

Ghana

Castle continued to assess various options to advance and/or monetise its Ghana project interests held through wholly owned Ghana registered subsidiary, Carlie Mining Limited.

New Opportunities

Castle continues to generate and assess an array of mainly Western Australia gold opportunities for possible acquisition.

Capital Raising

As announced on 13 October 2020 the Company received firm commitments from professional and sophisticated investors to subscribe for 100,000,000 new fully paid ordinary shares in the Company at an issue price of \$0.01 per share to raise \$1 million before costs, which was approved by shareholders at the AGM held on 25 November 2020 and subsequently allotted.

On 19 October 2020 the Company offered eligible shareholders the opportunity to participate in a share purchase plan ("SPP") to raise \$1 million before costs. The SPP closed heavily oversubscribed on Monday 2 November 2020. Given the strong support shown by eligible shareholder applicants, Castle decided to increase the SPP size above its original target of \$1million to raise approximately \$1.46 million through the issue of 145,961,727 fully paid ordinary shares in the Company under the SPP.

SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2020, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.



Stephen Stone

Managing Director

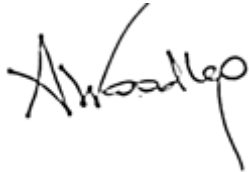
Perth, 10 March 2021

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF CASTLE MINERALS LIMITED

As lead auditor for the review of Castle Minerals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Castle Minerals Limited and the entities it controlled during the period.



Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 10 March 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Note	Half-year	
		2020	2019
		\$	\$
REVENUE AND OTHER INCOME			
Interest income		197	111
Government COVID-19 cashflow boost		66,842	-
Net gain on disposal of tenements		-	272,833
Fair value gains on financial assets		-	61,042
Other income		12	-
		67,051	333,986
EXPENDITURE			
Depreciation expense		(892)	(1,113)
Salaries and employee benefits expense		(173,857)	(107,499)
Exploration expenses		(852,145)	(50,990)
Corporate expenses		(77,106)	(36,764)
Administration expenses		(132,801)	(68,866)
Loss on settlement of liability	4(1)	-	(26,662)
		(1,169,750)	42,092
(LOSS)/PROFIT BEFORE INCOME TAX		(1,169,750)	42,092
Income tax expense		-	-
		(1,169,750)	42,092
(LOSS)/PROFIT AFTER TAX FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		(1,169,750)	42,092
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(1,915)	(801)
Other comprehensive loss for the period, net of tax		(1,915)	(801)
		(1,171,665)	41,291
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		(1,171,665)	41,291
Basic and diluted (loss)/earnings per share (cents)		(0.22)	0.02

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		2,539,956	434,475
Other receivables		82,108	62,649
TOTAL CURRENT ASSETS		2,622,064	497,124
NON-CURRENT ASSETS			
Plant and equipment		7,955	8,846
TOTAL NON-CURRENT ASSETS		7,955	8,846
TOTAL ASSETS		2,630,019	505,970
CURRENT LIABILITIES			
Trade and other payables	3	141,443	160,039
TOTAL CURRENT LIABILITIES		141,443	160,039
TOTAL LIABILITIES		141,443	160,039
NET ASSETS		2,488,576	345,931
EQUITY			
Contributed equity	4	30,009,956	26,809,646
Reserves		1,135,218	1,023,133
Accumulated losses		(28,656,598)	(27,486,848)
TOTAL EQUITY		2,488,576	345,931

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Contributed Equity	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2019	25,908,754	674,736	249,882	(26,711,601)	121,771
Profit for the period	-	-	-	42,092	42,092
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-	-	(801)	-	(801)
TOTAL COMPREHENSIVE INCOME/(LOSS)	-	-	(801)	42,092	41,291
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	120,918	-	-	-	120,918
BALANCE AT 31 DECEMBER 2019	26,029,672	674,736	249,081	(26,642,847)	283,980
BALANCE AT 1 JULY 2020	26,809,646	780,136	242,997	(27,486,848)	345,931
Loss for the period	-	-	-	(1,169,750)	(1,169,750)
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-	-	(1,915)	-	(1,915)
TOTAL COMPREHENSIVE LOSS	-	-	(1,915)	(1,169,750)	(1,171,665)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	3,432,695	-	-	-	3,432,695
Share issue transaction costs during the period	(232,385)	114,000	-	-	(118,385)
BALANCE AT 31 DECEMBER 2020	30,009,956	894,136	241,082	(28,656,598)	2,488,576

The above consolidated statement of changes in equity should be read in
conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Half-year	
	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds on sale of financial assets	-	173,846
Proceeds on sale of mining interests	-	272,044
Expenditure on mining interests	(868,077)	(53,402)
Payments to suppliers and employees	(404,087)	(304,650)
Interest received	197	111
Government COVID-19 cashflow boost received	66,842	-
Net cash (outflow)/inflow from operating activities	(1,205,125)	87,949
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	3,432,695	-
Payments for share issue transaction costs	(118,385)	-
Net cash inflow from financing activities	3,314,310	-
Net increase in cash and cash equivalents	2,109,185	87,949
Cash and cash equivalents at the beginning of the half-year	434,475	242,288
Effects of exchange rate changes on cash and cash equivalents	(3,704)	(16)
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	2,539,956	330,221

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Castle Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2020. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Going concern

For the half-year ended 31 December 2020 the consolidated entity had a loss of \$1,169,750 and had net cash outflows from operating activities of \$1,205,125. The Group had no cash generating assets in operation at 31 December 2020 and is unlikely to generate any operating revenue unless its projects are successfully developed or its interests in them monetised.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report and as such, the financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

NOTE 2: SEGMENT INFORMATION

For management purposes, the Group has identified two reportable segments being: exploration activities undertaken in Australia; and, exploration activities undertaken in Ghana, West Africa. These segments include activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the respective geographic location.

Segment performance is evaluated based on the operating profit or loss and cash flows and is measured in accordance with the Group's accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 2: SEGMENT INFORMATION (continued)

	Half-year	
	2020	2019
	\$	\$
Exploration Segments		
Segment income – Australia	-	-
Segment income – Ghana	-	272,833
Segment income – Total	-	272,833
Reconciliation of segment income to total income before tax:		
Interest income	197	111
Other income	66,854	61,042
Total income	67,051	333,986
Segment results – Australia	(818,091)	(37,841)
Segment results – Ghana	(34,054)	259,684
Segment results – Total	(852,145)	221,843
Reconciliation of segment result to loss before tax:		
Corporate depreciation	(892)	(1,113)
Other corporate and administration	(316,713)	(178,638)
Profit/(loss) before tax	(1,169,750)	42,092
	31 December	30 June 2020
	2020	2020
	\$	\$
Segment operating assets – Australia	-	-
Segment operating assets – Ghana	-	-
Segment operating assets – Total	-	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	2,630,019	505,970
Total assets	2,630,019	505,970
Segment operating liabilities – Australia	23,906	41,002
Segment operating liabilities – Ghana	9,305	9,942
Segment operating liabilities – Total	33,211	50,944
Reconciliation of Ghana segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	108,232	109,095
Total liabilities	141,443	160,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 3: TRADE AND OTHER PAYABLES

	31 December 2020	30 June 2020
	\$	\$
Trade payables	44,934	35,504
Director's fees accruals	-	8,003
Other payables and accruals	96,509	116,532
	<u>141,443</u>	<u>160,039</u>

NOTE 4: MOVEMENTS OF EQUITY SECURITIES

Ordinary Share Capital	2020		2019	
	Shares	\$	Shares	\$
As at 1 July	389,231,273	26,809,646	223,795,976	25,908,754
Issued during the half-year				
Issued for cash at \$0.01 per share	343,269,545	3,432,695	-	-
Issued in lieu of Directors' fees ⁽¹⁾	-	-	13,435,297	120,918
Transaction costs	-	(232,385)	-	-
As at 31 December	<u>732,500,818</u>	<u>30,009,956</u>	<u>237,231,273</u>	<u>26,029,672</u>

- (1) Resolutions were approved by shareholders at the Annual General Meeting of the Company held on 14 November 2019 to issue shares to Directors in lieu of directors' fees for the period 1 January 2019 to 30 September 2019. Each Director had agreed to waive their right to cash remuneration in respect of their net director fees for this period, in substitution for subscribing in advance for ordinary shares in the Company. The issue price of the shares was calculated by reference to the monthly VWAP for the month that the fees were earned. The directors collectively waived their rights to \$94,256 in net directors' fees to subscribe for 13,435,297 ordinary shares in the Company. The closing price of \$0.009 on the date of the Annual General Meeting was the grant date fair value of the shares issued, for a total fair value of \$120,918. The settlement of this liability by the issue of shares has resulted in a net loss for accounting purposes, resulting from the increase in the value of shares issued in respect to directors' fees from the time that the fees accrued to the grant date fair value at the date of issue. This net loss is recognised in the profit or loss for the half-year of \$26,662.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 4: MOVEMENTS OF EQUITY SECURITIES (continued)

Options	Number of options	
	2020	2019
As at 1 July	15,500,000	6,000,000
Issued, exercisable at \$0.02 on or before 30 June 2022	20,000,000	-
Expired on 30 November 2019, exercisable at \$0.03	-	(6,000,000)
As at 31 December	35,500,000	-

During the 2020 half-year, 20,000,000 options with an exercise price of 2 cents and expiring on 30 June 2022 were issued to a corporate advisor after approvals at the 2020 annual general meeting. These options vested on the date of issue. The fair value of the options granted during the half-year was 0.6 cents. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2020
Exercise price (cents)	2.0
Life of the options (years)	1.6
Underlying share price (cents)	1.2
Expected share price volatility	129.5%
Risk free interest rate	0.1%

NOTE 5: CONTINGENCIES

Wanganui and Polelle tenement acquisitions

In accordance with tenement acquisition agreements entered during the 2020 financial year for the Wanganui and Polelle projects, the following deferred consideration may become payable in future periods:

- 1% gross royalty is payable on any gold produced from both projects; and
- A once only milestone payment of \$50,000 is payable when either a decision is made to mine ore or an ore reserve of at least 30,000oz gold has been declared on one of the projects.

Beasley Creek tenement acquisition

In accordance with a tenement acquisition agreement entered during the 2018 financial year, the following deferred consideration may become payable in future periods:

- 2,000,000 performance rights to vest into fully paid ordinary shares of Castle on the date that Castle submits a Form 5 (in the form specified in the Mining Act) stating that Castle has expended \$500,000 on the tenement.

Ghana

The mineral licences held in Ghana by the Company through its wholly owned Ghanaian subsidiary, Carlie Mining Limited, are subject to compliance with the Minerals and Mining Act 2006 (Act 703) and various other laws and regulations governing their application, granting, extension, renewal and general operation. Failure to comply with these conditions may render the licences liable for forfeiture. The Company has applied for extensions of term or renewal and/or a reduction in licence area for a majority of its licences and is awaiting approval from the Ghana MINCOM and the Ghana Minister of Lands and Natural Resources for these. Such approvals will be subject to the payment of various fees which the Company will consider and pay on an individual licence basis as-and-when such fees have been determined and presented. There is no guarantee that the obligations and terms pertaining to individual or all of the Company's licences can or will be complied with.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 6: DIVIDENDS

No dividends were paid during the half-year. No recommendation for payment of dividends has been made.

NOTE 7: RELATED PARTY TRANSACTIONS

There has been no material change to related party transactions in the half-year ended 31 December 2020.

NOTE 8: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2020, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Castle Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Stephen Stone
Managing Director

Perth, 10 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Castle Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Castle Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink. The signature starts with the letters 'BDO' in a stylized, blocky font. Below this, there is a cursive signature that appears to read 'Ashleigh Woodley'.

Ashleigh Woodley

Director

Perth, 10 March 2021